



Universal Service Administrative Company
Schools & Libraries Division

George McDonald
Vice President, Schools and Libraries Division

June 2, 2005

Matthew L. Leibowitz
Leibowitz & Associates, P.A.
Suite 1450
Suntrust International Center
One Southeast Third Avenue
Miami, FL 33131-1715

RE: Miami-Dade County Public Schools Participation in the Schools and Libraries Support Mechanism

Dear Mr. Leibowitz:

This letter is to inform you, in your capacity as counsel for Miami-Dade County Public Schools (M-DCPS) that the Schools and Libraries Division of the Universal Service Administrative Company (USAC) has evaluated and accepted the representations made in M-DCPS's responses to USAC's December 6, 2004 letter.

In its December 6, 2004 letter, USAC requested that M-DCPS address areas of program compliance identified in the letter. These program compliance issues were the result of audits conducted by USAC's Internal Audit Division (IAD) and Sprint-Florida Incorporated (Sprint). USAC provided M-DCPS with a copy of the USAC IAD audit report. This report described USAC IAD's findings. In addition, USAC provided M-DCPS with a redacted copy of Sprint's Supplemental Response to Notice of Appeal (Supplemental Response). This document described Sprint's audit and reported on the results of that audit. USAC relied on the USAC IAD audit report and Sprint's Supplemental Response to request that M-DCPS address the program compliance issues identified in those reports consistent with USAC's responsibility to ensure that funding commitments and disbursements are made in compliance with Federal Communications Commission rules, and consistent with USAC's fiduciary duty to protect the Universal Service Fund from waste, fraud and abuse.¹ USAC was not required to, nor did it seek to verify independently the findings in Sprint's Supplemental Response and has made no determination regarding whether M-DCPS failed to comply with one or more of the certifications made on program forms and/or otherwise failed to comply with program requirements as a result of the issues identified by Sprint in its Supplemental Response.

¹ See generally 47 U.S.C. § 254; 47 C.F.R. § 54.500 *et seq.*, 47 C.F.R. § 54.702.

M-DCPS conducted an audit in response to USAC's December 6, 2004 letter. This audit resulted in three types of findings for the sample audited: (1) USAC was improperly invoiced by service providers and paid for goods and/or services that were not provided to M-DCPS; (2) USAC was improperly invoiced by service providers and paid for goods and/or services that were provided only in part; (3) USAC was improperly invoiced for goods and/or services that were provided to M-DCPS, but USAC paid proportionally more for the goods and/or services than did M-DCPS aside from the universal service discount. This audit did not disclose non-compliance with program requirements by M-DCPS.

M-DCPS has instituted quality assurance procedures designed to ensure that these types of findings will be avoided in the future. These quality assurance procedures address the issues resulting from the USAC IAD and Sprint audits, assuming the audit findings to be valid. M-DCPS stated that it could not directly address the issues identified by Sprint because Sprint did not provide M-DCPS with an unredacted copy of the results of its audit.

USAC has investigated this matter and, based on representations by M-DCPS both orally and in writing, has concluded at this time that M-DCPS has taken appropriate steps to address the program compliance issues identified in USAC's December 6, 2004 letter on a going-forward basis. Accordingly, USAC, as noted earlier in its e-mail dated May 20, 2005, has released the suspension of all M-DCPS pending FCC Form 471 applications and USAC will resume normal processing of all current and future M-DCPS FCC Form 471 applications.

Thank you for your attention to this extremely important matter.

Sincerely,



George McDonald
Vice President, Schools and Libraries Division

cc: Narda Jones, Deputy Division Chief, Telecommunications Access Policy Division,
FCC Wireline Competition Bureau (via e-mail)